



## Missouri Department of Natural Resources Energy Center

### MISSOURI ENERGY BULLETIN

December 4, 2003

Energy prices and supplies shown throughout this bulletin are from Dec. 1, 2003 unless otherwise noted. Also shown are energy data from a month ago, Nov. 3, 2003, and from a year ago, Dec. 2, 2002.

### Heating Fuels

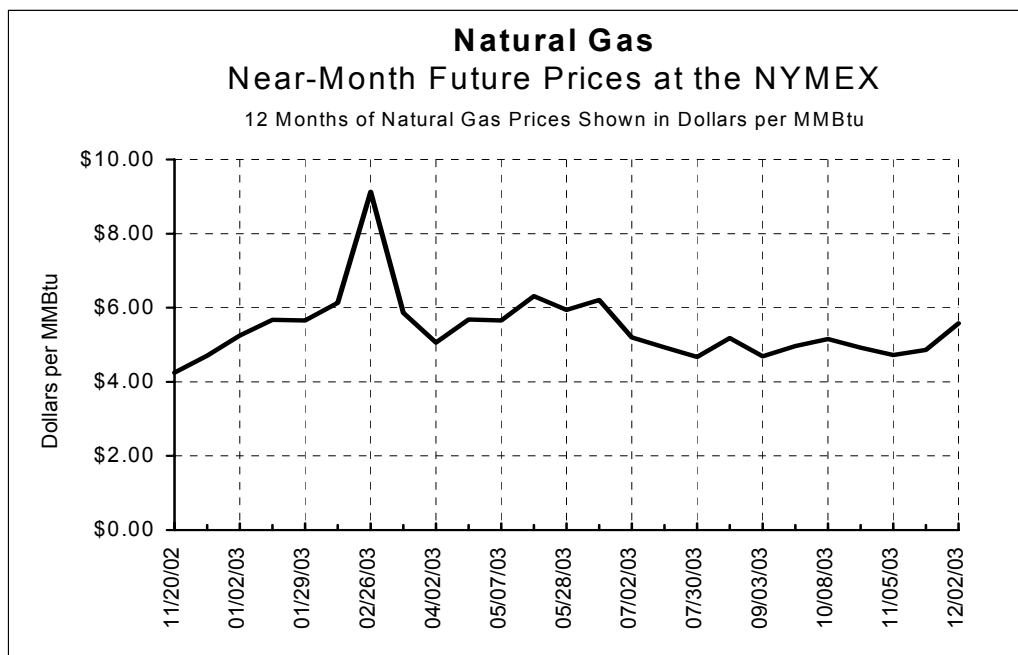
Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

### Natural Gas

Approximately 60 percent of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. From 1997 to 2000, Missouri electric utilities' use of natural gas increased by an annual average of 23 percent.

- The spot price for natural gas at the Henry Hub, throughout this last month (Nov. 5 to Dec. 2), increased by 1.39 dollars per MMBtu (35 percent) moving from 4.01 to 5.40 dollars per MMBtu. Throughout this last year (Dec. 2, 2002 to Dec. 2, 2003), the price paid increased by 1.17 dollars per MMBtu moving from 4.23 to 5.40 dollars per MMBtu, an increase of 28 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last month (Nov. 5 to Dec. 2), increased by 0.85 dollars per MMBtu (18 percent) moving from 4.73 to 5.58 dollars per MMBtu. Throughout this last year (Nov. 20, 2002 to Dec. 2, 2003), the price paid increased by 1.33 dollars per MMBtu moving from 4.25 to 5.58 dollars per MMBtu, an increase of 31 percent. (Source: *Wall Street Journal*)
- Expectations that prices will rise with the arrival of cold weather and the higher price of crude oil likely setoff a rally in the futures market on Friday, Nov. 14, when prices of the December contract settled at 5.11 dollars per MMBtu.
- Working gas in underground storage decreased to 3,095 Bcf as of the week ended Friday, Nov. 28, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal was 59 Bcf, the largest withdrawal so far this heating season. Inventories now stand 3.9 percent, or 117 Bcf, above the 5-year average of 2,978 Bcf and 4.7 percent higher than last year's level at this time.
- The latest data from the Department of Energy showed a small natural gas draw, but that did not stop

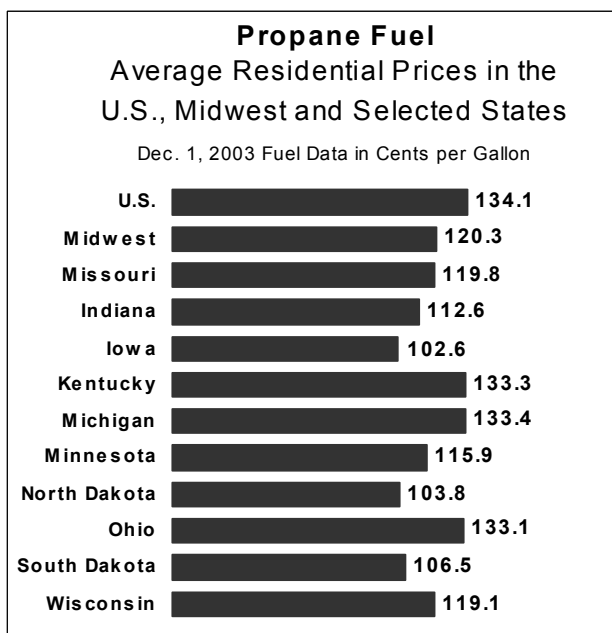
natural gas futures traders from buying up January contracts, forcing spot month values higher. Natural gas traders believe the national surplus is being worked away too early in the heating season. At the opening bell (Dec. 4), January natural gas futures at the NYMEX opened at \$5.75/mmbtu. The buying spree is continuing with spot month Henry Hub futures last quoted at \$6.36, up more than 60 cents on the day.



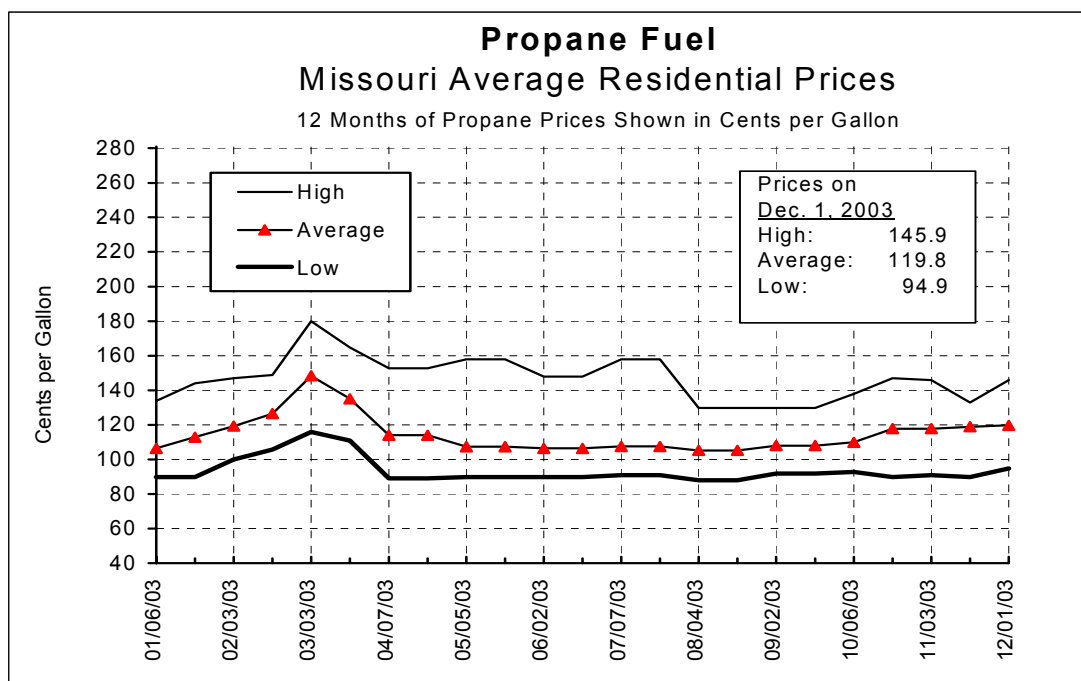
## Propane

Approximately 12 percent of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles. In 2000, Missourians spent about \$459 million and used 455 million gallons of propane.

- The average price paid for residential propane in **Missouri**, throughout this last month, increased by 2.0 cents per gallon (2 percent) moving from 117.8 to 119.8 cents per gallon. Throughout this last year, the price paid for propane increased by 21.2 cents per gallon moving from 98.6 to 119.8 cents per gallon, an increase of 22 percent.
- Propane stocks in the **United States**, throughout this last month (Oct. 31 to Nov. 28), were down by 2.6 million barrels moving from 66.8 to 64.2 million barrels, a decrease of 4 percent. In the **Midwest**, stocks were up by 0.9 million barrels (4 percent) moving from 23.7 to 24.5 million barrels.



- Propane stocks in the **United States**, throughout this last year (Nov. 29, 2002 to Nov. 28, 2003), were up by 3.1 million barrels (5 percent) moving from 61.1 to 64.2 million barrels. In the **Midwest**, stocks were up by 3.2 million barrels moving from 21.4 to 24.5 million barrels, an increase of 15 percent.
- Reflecting warmer-than-normal weather over most areas east of the Rockies during November, U.S. inventories of propane stood at an estimated 64.2 million barrels as of November 28, 2003, the highest level for this month since 2001.
- Regional stockdraws continued to follow seasonal patterns with Gulf Coast inventories falling more than 0.9 million barrels last week as inventories are slowly moved out of the region to the major propane heating areas in the Midwest and East Coast.

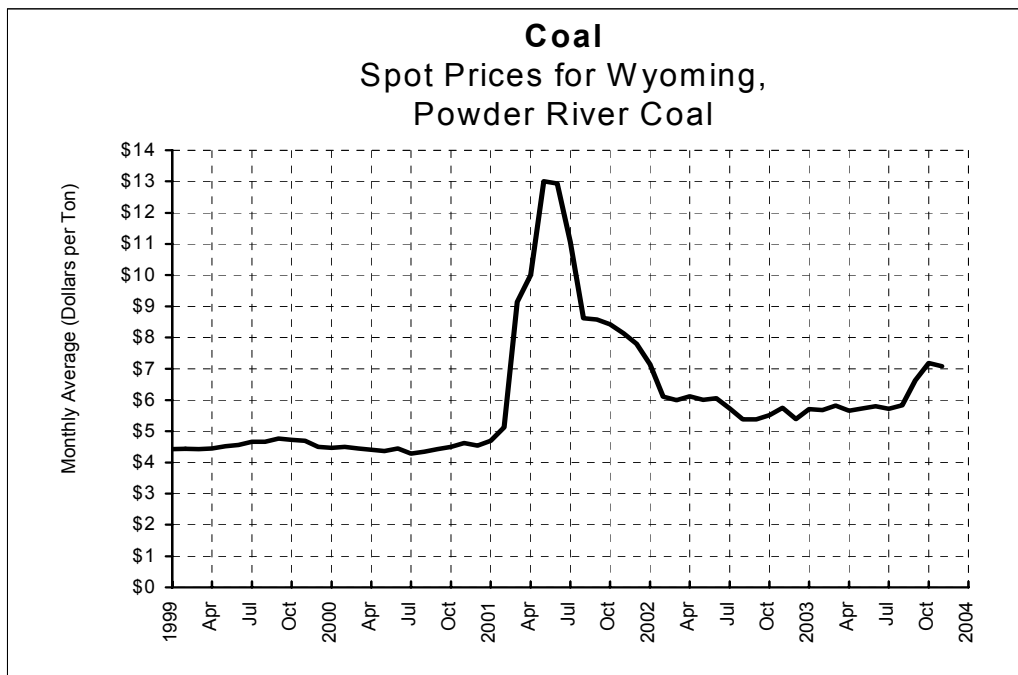


### Residential Heating Oil

- The average price paid for residential heating oil in the **Midwest**, throughout this last year, increased by 4.0 cents per gallon moving from 119.7 to 123.7 cents per gallon. In the **United States**, the average price paid increased by 12.8 cents per gallon (10 percent) moving from 128.4 to 141.2 cents per gallon.
- Residential heating oil stocks in the **Midwest**, throughout this last month (Oct. 31 to Nov. 28), were up by 0.4 million barrels (5 percent) moving from 7.9 to 8.3 million barrels. In the **United States**, stocks were down by 1.1 million barrels (2 percent) moving from 56.8 to 55.7 million barrels.
- Stocks in the **Midwest**, throughout this last year (Nov. 29, 2002 to Nov. 28, 2003), were up by 0.6 million barrels (8 percent) moving from 7.7 to 8.3 million barrels. In the **United States**, stocks were up by 3.4 million barrels (7 percent) moving from 52.3 to 55.7 million barrels.

## Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.



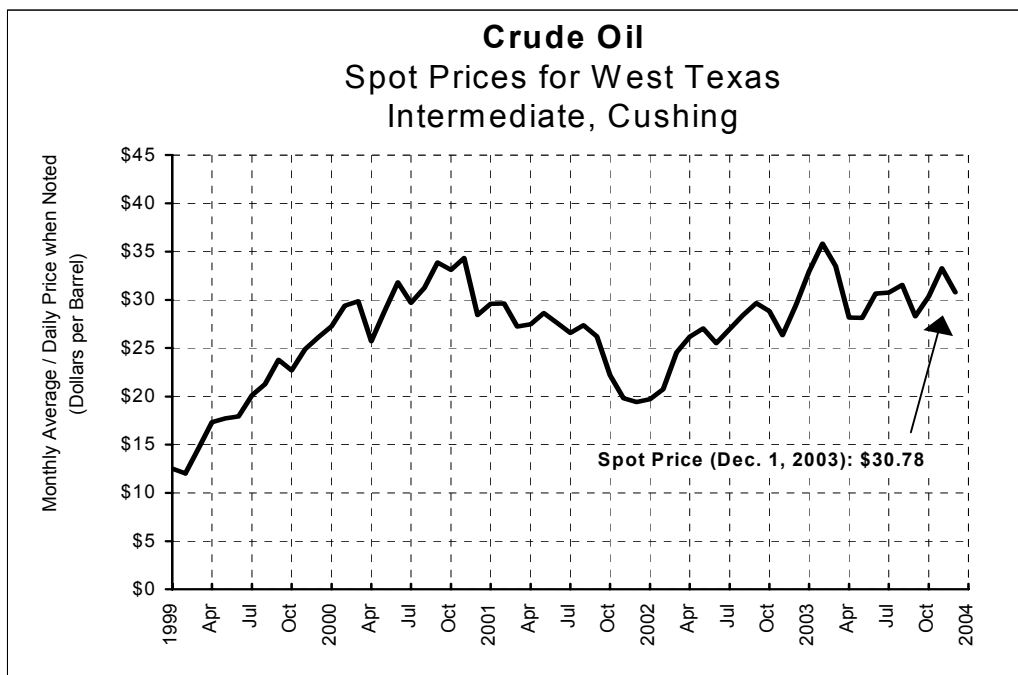
- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Oct. to Nov.), decreased by 0.10 dollars (1 percent) moving from 7.19 to 7.09 dollars per ton. Throughout this last year (Nov. 2002 to Nov. 2003), the average price paid increased by 1.38 dollars moving from 5.71 to 7.09 dollars per ton, an increase of 24 percent. (Source: *Wyoming Insight*, Nov. 26, 2003)
- Estimated coal production for the week ending Nov. 29 was 19.8 million short tons (mmst). This was 0.1 percent above the comparable week in 2002. Year-to-date U.S. coal production is estimated at 983.4 mmst, or 1.7 percent behind the corresponding total for 2002.
- Factors contributing to higher coal prices include a strong demand for coal, purchases by utilities to replenish depleted inventories and high natural gas prices. As the nation's natural gas supply becomes increasingly strapped and with the onset of cold weather, more natural gas will be used for heating and utilities may be relying more on coal plants to meet electricity demand.

## Crude Oil

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last month (Nov. 5 to Dec. 2), increased by 2.00 dollars per barrel (7 percent) moving from 28.78 to 30.78 dollars per barrel. Throughout this last year (Dec. 2, 2002 to Dec. 2, 2003), the spot price increased by 3.55 dollars per barrel moving from 27.23 to 30.78 dollars per barrel, an increase of 13 percent. (Source: *Wall Street Journal*)
- Over the last two weeks (between Nov. 14 and Nov. 28), U.S. commercial crude oil inventories (which exclude oil stored in the Strategic Petroleum Reserve) have declined by 9.7 million barrels.

Meanwhile, gasoline inventories have increased by 4.9 million barrels, distillate fuel inventories are up 2.2 million barrels, and residual fuel inventories have risen by 1.7 million barrels.

- The unusually high demand for gasoline is placing pressure on increased production of motor gasoline from crude oil. Averaged over the last four weeks, gasoline demand has averaged 9.0 million barrels per day, or 1.7 percent above the same four-week period a year ago. (*DOE Weekly Petroleum Status Report, for the week ending November 28, 2003*)



## Transportation Fuels

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, decreased by 7.0 cents per gallon (5 percent) moving from 139.5 to 132.5 cents per gallon. Throughout this last year, the price paid increased by 7.5 cents per gallon moving from 125.0 to 132.5 cents per gallon, an increase of 6 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, decreased 4.5 cents per gallon (3 percent) moving from 153.5 to 149.0 cents per gallon. Throughout this last year, the price paid increased by 12.6 cents per gallon, an increase of 9 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month,

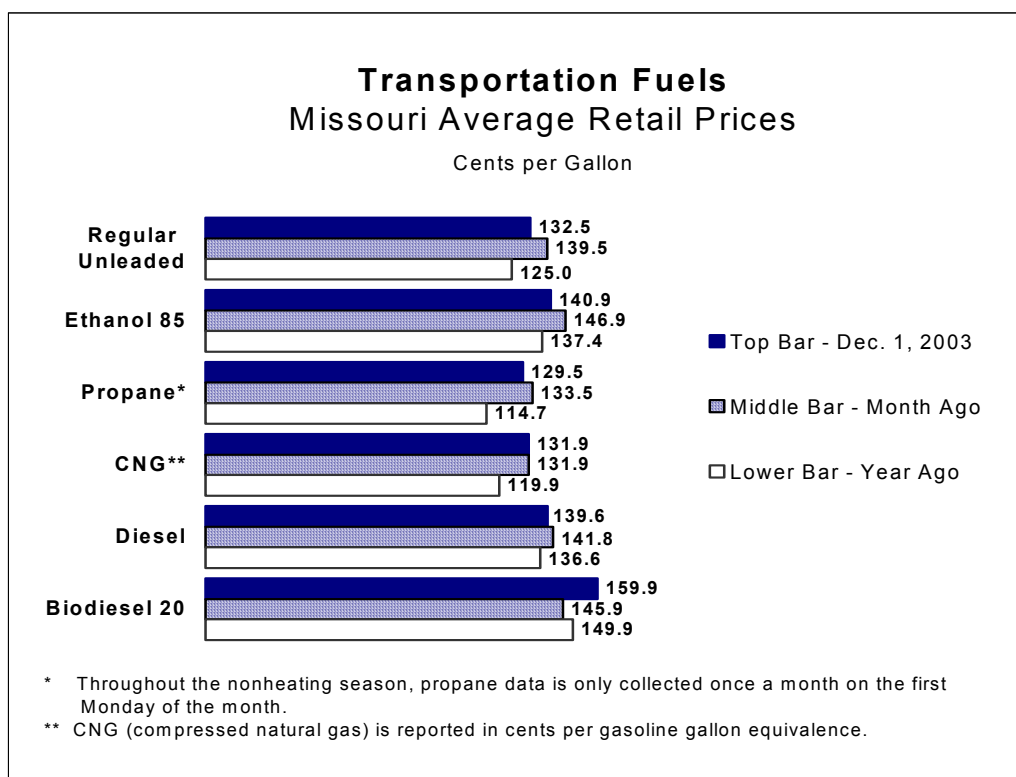
### Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Dec. 1, 2003 Fuel Data in Cents per Gallon

<b>U.S.</b>	<b>149.0</b>
<b>Midwest</b>	<b>143.5</b>
<b>Missouri</b>	<b>132.5</b>
<b>Central, Mo.</b>	<b>133.5</b>
<b>Kansas City, Mo.</b>	<b>130.1</b>
<b>Northeast, Mo.</b>	<b>133.7</b>
<b>Northwest, Mo.</b>	<b>133.1</b>
<b>St. Louis, Mo.</b>	<b>132.8</b>
<b>Southeast, Mo.</b>	<b>138.4</b>
<b>Southwest, Mo.</b>	<b>129.6</b>

decreased by 2.2 cents per gallon (2 percent) moving from 141.8 to 139.6 cents per gallon. Throughout this last year, the price paid increased by 3.0 cents per gallon moving from 136.6 to 139.6 cents per gallon, an increase of 2 percent.

- Total motor gasoline stocks in the **Midwest**, throughout this last month (Oct. 31 to Nov. 28) were up by 4.1 million barrels (9 percent) moving from 47.9 to 52.0 million barrels. In the **United States**, stocks were up by 5.8 million barrels moving from 191.3 to 197.1 million barrels, an increase of 3 percent; however EIA reports that motor gasoline inventories are 9.0 million barrels less than the 5-year average.
- Total motor gasoline stocks in the **Midwest**, throughout this last year (Nov. 29, 2002 to Nov. 28, 2003), were up by 1.9 million barrels (4 percent) moving from 50.1 to 52.0 million barrels. In the **United States**, stocks were down by 2.9 million barrels moving from 200.0 to 197.1 million barrels, a decrease of 1 percent.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Energy Bulletin is a public resource that is made available to state government decision-makers, to any other interested individual upon request and on-line at the Energy Center Internet site. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration and Chicago Regional Office; the National Association of State Energy Officials the Missouri Propane Gas Association and the Propane Education and Research Council; the St. Louis AAA Auto Club; regional state energy offices; and, Missouri's energy retailers.